1;Stanford U, S-4, 5 1956 AF16 SW China
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452 eliminate exploitation by usurers, disinterested
474 observers, have doubts as to how far such means can or will go in meeting these problems. The doubts arise principally because of the government's frequently expressed desire to utilize credit co-operatives to pool idle capital in rural areas as government operating funds, which appear to be almost non-existent.

H. Chinese People's Insurance Company

• 456 According to the Communists, the state-operated Chinese People's Insurance Company is considered as a component of the entire Communist financial system. It has the functions of organizing scattered funds for the industrialization of the state, and of establishing a centralized insurance fund to compensate losses from natural calamities or accidents sustained by individual policy holders or economic units. The Chinese People's Insurance Company was established on October 20, 1949, and simultaneously the elimination of privately owned and foreign-operated insurance firms was begun. Branch offices and subordinate offices of the Chinese People's Insurance Company were established throughout the country, and branches of the People's Bank and other bank were appointed agents of the state-operated insurance company.

1:Stanford U. S-4, 5 1956 AF16 SW China
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456 Since 1950, the Chinese People's Insurance Company has handled the compulsory insurance of assets of state-owned enterprises and supply-marketing co-operatives above the county level and of persons traveling by rail, steamer, and aircraft. The company also has promoted life and private property insurance on a voluntary basis in urban centers. Insurance of livestock and farm crops has been encouraged in rural areas. Rates for various categories of insurance have been reduced, and the scope of coverage broadened. However frequent criticism of the company has been expressed concerning imprudent expansion, inexperienced personnel, and the arbitrary attitude displayed by the officers.

III. BANKING OPERATIONS

453 652 The operation of these varied banking and financial organizations is integrated through their subordination to the single command of the People's Bank, and, in effect, they operate as a single body. During the development of the Communist monetary system, the emphasis of the whole banking operation appears to have shifted. At its inception, popularization of the People's Bank notes and the promotion of individual deposits were stressed; at a later stage, control of cash funds held by public organizations and centralization of credit extension were emphasized; recently,